

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**In the Matter of**

**Petition of the People of the State of  
California and the Public Utilities  
Commission of the State of California to  
Retain State Regulatory Authority over  
Intrastate Cellular Service Rates**

PR File 94-105

DOCKET FILE COPY ORIGINAL

**COMMENTS OF LOS ANGELES CELLULAR TELEPHONE  
COMPANY REGARDING CONFIDENTIAL MATERIALS  
SUBMITTED BY THE STATE OF CALIFORNIA**

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**February 23, 1995**

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I.

INTRODUCTION

Pursuant to paragraph 42 of this Commission's February 9, 1995 Order, Los Angeles Cellular Telephone Company ("L.A. Cellular") hereby comments on the confidential materials relating to L.A. Cellular, and recently released by the State of California ("California") in connection with its Petition to Retain State Regulatory Authority Over Intrastate Cellular Service Rates ("Petition").

Having examined the materials, L.A. Cellular must again address the gap between California's original contentions herein and the actual record as it now stands revealed. The unredacted appendices provided on September 13, 1994 and February 1, 1995 show declining per subscriber revenues and profitability -- which is hardly the

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picture painted by the State's redacted Petition. They also show that California's capacity utilization argument is based on a gross misunderstanding of cellular engineering principles: If L.A. Cellular achieved the usage levels urged by the CPUC the result would be unacceptable system-wide blocking.

Finally, there is California's reference at page 45 of the unredacted Petition to

However, on examination the document turns out to be no more than a summary of a third party consultant's recommendations as to how to meet the challenge posed by

Beyond the fact that the document may not necessarily be attributed to L.A. Cellular is the fact that far from urging L.A. Cellular not to compete, the consultant suggested that L.A. Cellular

L.A. Cellular's attempts to compete on both levels have been discussed in earlier comments herein dated September 19 ("L.A. Cellular Response") and October 19, 1994 ("L.A. Cellular Reply Comments"). Attachment A hereto updates the analysis and shows that between October 17, 1994 and February 15, 1995, there were 39 rate-related advice letters filed by the two facilities-based carriers in Los Angeles. Each of these advice letters reduced charges, extended air time credits, and in other ways improved the offerings available to end users. The net impact of these filings, when taken together with those described in earlier comments by L.A. Cellular,

is to further widen the gulf between the "basic" rates which are the target of so much CPUC criticism, and the actual rates charged to cellular users in California.

In the meantime, the CPUC goes about its painfully slow dismantling of the regulatory structure which has so hindered pro-competitive forces in the cellular market. On Friday, February 17, 1995, the CPUC announced a proposed decision which would at long last relax California's unique rule against the bundling of cellular equipment and service. See Proposed Decision by Administrative Law Judge Galvin in I.88-11-040. But other barriers remain, including that which prevents carriers from bidding against each other for the business of specific customers, as well as the rule which bars new rate plans without 30 days advance notice to the marketplace.<sup>1</sup> California's belated attention to these matters, like other recent reforms, is an obvious admission that the Commission's activities until very recently have been an obstacle, rather than a spur to pro-competitive market forces.

## II.

### **FAR FROM SUPPORTING CALIFORNIA'S CASE, THE UNREDACTED APPENDICES FILED BY THE STATE GIVE FURTHER WEIGHT TO L. A. CELLULAR'S INITIAL RESPONSE HEREIN**

Until February 15, L.A. Cellular did not have access to the full range of confidential materials submitted by California in support of its Petition. Under these circumstances, the company had little choice but to assume that California's

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<sup>1</sup> Under current California rules promotional reductions in existing rates may be filed (with some limitations) on an immediately-effective basis. New rate plans require at least thirty days' advance notice, and, if protested, may be indefinitely delayed. See Decision 94-10-040 and L.A. Cellular Reply at pages 20-22.

redactions were highly damaging to L.A. Cellular, and that the company's right to safeguard proprietary information might have to be sacrificed to the need to answer California's allegations.

L.A. Cellular need not have been concerned. The first round of CPUC revelations came with California's Supplemental Filing of September 13, 1994. Additional materials were made available on February 1, in response to this Commission's Order of January 21, 1995. Finally, the so called "AG Materials" were released to L.A. Cellular on February 15. In order to measure their overall impact on California's case, each of these partial revelations should be separately analyzed.

A. Unredacted Appendices I and J.

L.A. Cellular's Reply of October 19 showed great discrepancies between the unredacted versions of California's Appendices I and J, and the text of the Petition, as well as between the Petition and L.A. Cellular's tariffs and reports to the CPUC. For example:

- (1) Per Subscriber Costs/Operating Profits: The CPUC's original Petition (at page 49) relied on the Congressional Budget Office, and contended that cellular operating costs are as low as \$10/month per subscriber, and that operating profits approached \$75 per month per subscriber. The actual data revealed that L.A. Cellular operating expenses in 1993 exceeded \$50 per subscriber per month, and that operating profits (before depreciation) were \$35.42 per month. See Attachment 1 to L.A. Cellular's Reply.

- (2) **Per Subscriber Revenues:** The CPUC Petition also assumed that the most favorable rates available to L.A. Cellular's "average" subscriber was \$95 per month. In fact, average revenues per unit in 1993 were \$85.46, and, in September 1994, \$76.70 per month. See note 2 to L.A. Cellular's Reply, and Attachment 1 thereto.
- (3) **Best Available Rates:** The CPUC Petition assumed that the best available rates for L.A. Cellular subscribers were \$1.16/minute (for users of 60 minutes), \$.71/minute (for users of 120 minutes), and \$.42/minute for users of 480 minutes per month. The actual "best rates" tariffed for these three usage levels were \$.71, \$.50, and \$.35, respectively.<sup>2</sup>

**B. Unredacted Appendices D, E, and H.**

The CPUC's February 1 release includes additional Appendices, which both confirm the inconsistencies earlier described by L.A. Cellular, and revealed additional gaps between the actual evidence in the record and the conclusions sought to be drawn by the Petition. At least three of these are worthy of comment, i.e.:

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<sup>2</sup> Quoted rates are derived from L.A. Cellular's contract rates for multi-unit accounts serving dual mode units. See L.A. Cellular Response, Figure 6. Similarly reduced rates are available to individual accounts with digitally capable units. Though a matter of public record, L.A. Cellular's dual mode rates are not even mentioned in Appendix J.

**(1) After Tax Rates of Return:**

Appendix F actually shows declining rates of return for nearly all major market carriers, and only modest profits in medium and small markets. The CPUC would, of course, have this Commission believe just the contrary, i.e., that a failure to compete has resulted in steadily increasing profit levels for the cellular industry. Yet with the single exception of each of the largest facilities-based carriers shows declining rates of return, e.g., from an alleged in 1989 for L.A. SMSA Limited Partnership to in 1993, from in 1989 for GTE Mobilnet to in 1993; and from for U.S. West Cellular (San Diego) in 1989 to in 1993.<sup>3</sup> In medium-sized markets, the carriers allegedly enjoyed average rates of return in 1993 of and of only over the entire 1989-93 time-frame.<sup>4</sup>

Appendix F also illustrates the CPUC's blind spot with regard to franchise acquisition costs which, under California practice, are excluded from the annual reports filed by Cellular carriers. Prior comments in this proceeding have attempted to derive such costs from secondary information, such as reported transactions between Nextel and MCI, or the amounts bid for narrowband PCS spectrum in the summer of 1994. Ongoing broadband auction activity provides more direct evidence

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<sup>3</sup> Appendix F does not reveal the underlying calculations of the CPUC. L.A. Cellular has not been able to duplicate the conclusions reached by California, and believes that actual rates of return have been lower.

<sup>4</sup> California's Petition chooses to emphasize the highest of these numbers, which come about in the most congested markets. The CPUC studiously ignores the fact that the same players have been far less successful in medium and small markets, and that even in Los Angeles and San Francisco, profitability is declining as rates fall.



of amounts that are properly attributable to the rate base of cellular carriers in the largest California markets. As of February 23, 1995, the high bid for broadband PCS Spectrum in Los Angeles MTA was \$493,500,000 -- a figure which is less than prognosticated, and which can by no stretch be attributed to any alleged lack of competitiveness in the cellular market. If this value, adjusted for differences in total population and the amount of spectrum granted, were added to the rate base of L.A. Cellular during each of the years from 1989 through 1993, the company's average rate of return would have been approximately 18%.<sup>5</sup> Returns for other carriers, if adjusted in the same way, would be less.

(2) Appendices G and H (Subscriber Data):

These newly-revealed charts provide data relating to the subscriber growth rate as well as per unit operating revenues and expenses in various California markets. Three facts become immediately apparent. First is that Appendix H confirms the decline in per subscriber revenues between 1989 and 1993. In the case of L.A. Cellular, such revenues dropped by      in absolute dollars, and by considerably more in inflation-adjusted dollars. The second significant fact is that by the CPUC's analysis, operating expenses for L.A. Cellular were only      less in absolute terms as

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<sup>5</sup> This calculation is based on adding \$331 million to the end of year, depreciated plant reported to the CPUC by L.A. Cellular for 1989-93. In arriving at \$331 million as the cellular equivalent of the \$493,500,000 bid for PCS spectrum, L.A. Cellular took account of the fact that only 25 MHz of spectrum is allocated to cellular (as opposed to 30 MHz for PCS) and of the additional fact that the Los Angeles cellular SMSA has nearly 4 million fewer inhabitants than the MTS which will be served by the PCS grantee for Los Angeles.

of the end of 1993 than they had been in 1989. The result for the company has been a decrease in per unit operating income (again expressed in absolute dollars).

At the same time, Appendices G and H show that subscriber growth in 1993 was at least in all California markets and in the case of L.A. Cellular. This statistic, together with the other figures in Appendices D and H hardly support the conclusion sought to be drawn by California, i.e., that rates have been kept high in order to suppress demand. Indeed, they support the contrary proposition, which is that the rates actually paid by California cellular subscribers have declined, and that operating income, both in absolute terms and as a percentage of revenues, has dropped. Quite logically, and as a result of lower rates and new plans, demand has continued at high levels.

(3) Appendix M (Capacity Utilization Rates):

Careless as California has proven itself to have been in analyzing cellular rates, costs, and returns, it has out-done itself in connection with the capacity utilization issue. Appendix M show that during the past five years, L.A. Cellular has increased the number of cell site sectors by i.e., from to . At the same time, the company's end-of-year subscriber unit base has increased by i.e., from (1989) to (1993). These statistics, which exclude the impact of the company's conversion to digital operations, show exactly the opposite what the CPUC would have this Commission believe. Far from lagging in its build out efforts, in L.A. Cellular has worked at breakneck speed to keep up with demand.

In light of L.A. Cellular's double-digit annual growth rate, it is truly surprising to hear the CPUC's allegation that L.A. Cellular's system has actually been under-utilized, and that with lower rates such "excess capacity" could have been filled. Thus, California claims that only     of L.A. Cellular's sites were highly utilized in 1989, while     were "moderately utilized" and fully     were "under-utilized". By the end of 1993, the Commission alleges that     of L.A. Cellular's sites were highly utilized,     were moderately utilized, and     were under-utilized.

California's definition of "high", "medium", and "low", utilization is provided at Note 41 to the unredacted Petition of February 1, 1995. In essence, the State contends (based on discussions with unnamed experts) that a site is fully utilized only when all voice channels are continuously occupied during peak hours. Anything less than 90% utilization is considered "under-utilization", and, for California, reveals a failure by the carriers to price their service at sufficiently low levels to fill their systems.

The argument is entirely specious. Competent cellular engineering requires the creation of some unused capacity, first in order to provide coverage in less populated areas, and, second, to protect against unacceptable peak hour blocking levels in congested areas. Where all, or nearly all voice channels are regularly filled during the busy hour, the result is an unacceptable blocking factor. The fact is that with     of L.A. Cellular's sectors at     or higher occupancy in 1993, the system was, if anything, over-utilized rather than the reverse. See Attachment B hereto (Declaration of David Owens).

III.

**THE ATTORNEY GENERAL'S MATERIALS CONFIRM  
L.A. CELLULAR'S DESIRE TO ENGAGE IN  
AGGRESSIVE PRICE COMPETITION**

Finally, there is the question of the materials provided by the California Attorney General ("AG") to the CPUC, even though such materials had been furnished by carriers to the AG under confidentiality agreements.

The "internal document" referred to by the CPUC is a

The document is actually a summary of a lengthier document authored by which was a third party consultant engaged by L.A. Cellular to suggest ways to See Attachment C hereto (Declaration of David Stevens).

There is no indication, either in the document, or in the Ellen LeVine Affidavit accompanying it, that L.A. Cellular ever adopted the recommendations as its own. But what if L.A. Cellular had ratified these proposals in their entirety? Far from showing a reluctance to compete, the most cursory examination of the shows an aggressive, pro-competitive stance. Thus:

The proposal to work with the CPUC to gain rate flexibility was certainly well taken. Though L.A. Cellular had already made many such suggestions to the California Commission, it had seen only one of its suggestions adopted, i.e., the temporary tariff mechanism which had finally been put into place in October 1990. Decision 90-10-047. The other obstacles to meaningful reform were still in place. No new rate plan could be introduced except on 30 days' advance notice. No price reduction could take immediate effect if the result would be to reduce any rate element by more than 10%. No tariff could be filed which described in-kind credits worth more than \$100, or cash "gifts" of more than \$25. No customer specific contracts were possible, e.g., where a large account wished L.A. Cellular to bid against a non-regulated competitor for a significant amount of business. Nor could

any equipment-related concession be tied to the customer's agreement to subscribe to service through L.A. Cellular. See L.A. Cellular Response at pages 39, et seq.

The CPUC has asked rhetorically why so many cellular price initiatives have taken the form of promotions rather than an across-the-board reduction in basic rates. One answer is to be found in regulatory inhibitions like those listed above. Prior to April 1993, so-called "basic" rates could not be reduced without losing the ability to return them to their former levels in the event market studies proved erroneous. See Decision 93-04-058. Nor was it until April, 1994, that the "temporary tariff" mechanism was modified to allow for rate decreases of more than 10%. See Decision 94-04-043. To this very day, cash rebates of more than \$25 are prohibited, as are equipment/service bundles and customer specific contracts. As for new rate plans, they too continue to require significant advance notice to competitors -- yet another stricture among many which are hardly designed to encourage the permanent rate changes sought by the CPUC.

The main point is that under CPUC procedures de facto rate reductions had to be described as "promotional" if the carrier wished to implement them with a minimum of regulatory delay. Once in place, these "temporary" promotions have tended to become permanent. Thus, fully 88% of L.A. Cellular's customer base as of the end of 1994 was enrolled on non-basic plans.

#### IV.

#### **THE NET IMPACT OF THE CPUC'S BELATED AND LIMITED REFORMS HAS BEEN SUBSTANTIAL COMPETITION IN THE CELLULAR MARKET**

From time to time in these proceedings, L.A. Cellular has itemized the specific promotions and new rate plans which have been introduced notwithstanding regulatory limitations. The most recent of these updates was attached to L.A. Cellular's Reply Comments of October 19, 1994.

Attachment A hereto carries the process further, and summarizes pro-consumer rate changes which have occurred in selected California markets in the four months since October 17, 1994. In Los Angeles, there have been 40 such changes initiated by the two facilities-based carriers. These include the following:

- L.A. Cellular's Advice Letters 525 and 530 introduced substantial rate reductions for major accounts, which, under L.A. Cellular's definition, include not only corporate users, but also non-profit associations, affinity groups, and the like. Under these programs, for example, the end user consuming 120 minutes of service would pay \$70.42 if he/she is affiliated with a small affinity group or company, and \$60.42 if he/she is part of a larger account. These amounts are to be compared with the \$94.68 that would be paid by the end user under L.A. Cellular's so-called "basic plan".
- L.A. Cellular by its Advice Letters 527, 529, 531, 546, and 559 effectively suspended nearly all up front activation fees to new

customers. Its competitor, the L.A. SMSA Limited Partnership, did the same by virtue of its Advice Letters 452, 466, 468, 469, 471, 475, and 508.

- The L.A. SMSA Limited Partnership filed its Advice Letter 473, giving a \$10/a month credit for all new enrollments on any of its two year plan.
- L.A. Cellular's Advice Letter 532 extended for an additional month its proposal to reduce (to \$29.99) the monthly rate for its Economy Value Service Plan, which includes 20 minutes of free use on the system.
- L.A. Cellular's Advice Letter 535 provided free mobile-to-mobile calls, and up to 240 minutes per month of free weekend usage for new enrollees on any of the company's two year plans.
- By its Advice Letters 553 and 554, L.A. Cellular introduced new, optional plans for resellers which have the effect of eliminating charges for unused minutes on the company's so-called "bucket plans".

The CPUC and its allies complain that these plans and promotions are not permanent in nature, and that they would prefer to see a single, one time reduction in the so-called "basic" rate. The argument shows little understanding of market mechanisms, where surprise and flexibility are at a premium, and where customer-specific appeals are more effective than "one size fits all" approaches. The fact is that at any given time during this proceeding, L.A. Cellular has pointed to currently effective promotions, and that at any given time prevailing rates for nearly all customers have been substantially lower than so-called "basic" rates. It is also the



fact that while only 16% of L.A. Cellular's customers were enrolled under non-basic plans as of the end of 1989, fully 88% are on such alternatives today. The "basic plan", which has been so bitterly attacked by the CPUC, is in fact a straw man, useful only to short term users, and not at all typical of the market as a whole.

V.

### **CONCLUSION**

The overwhelming evidence is that CPUC rate regulation has been part of California's perceived problems, and has contributed little if anything to their solution. Indeed, the CPUC itself has recognized this, as it has tardily authorized multi-unit discounts, temporary tariffs, customer credits and rebates, and the like. The February 17 recommendation by an Administrative Law Judge to abolish the State's rule against equipment/service packages is another welcome step in this direction.

California's Petition is an ironic reversal of course. It ignores the demonstrated correlation between past regulatory reforms and pro-consumer moves by the cellular industry. The more logical step for the CPUC would have been further to loosen its hold on an industry which it is only now beginning to understand.

The California Petition should be denied, and the reforms mandated by the Omnibus Budget Reconciliation Act allowed to take immediate effect.

Respectfully Submitted,

LOS ANGELES CELLULAR TELEPHONE COMPANY

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**RATE REDUCTIONS/PROMOTIONS FILED  
LOS ANGELES MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1995**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
Los Angeles Cellular Telephone Company ("LACTC")	519	10/19/94	Extend enrollment period for provisional Economy Value Service Plan.
Los Angeles SMSA Limited Partnership ("LASLP")	447	10/28/94	Waive service establishment fees for subscribers to the Ventura Value Promotion.
LASLP	451	11/01/94	Extend promotional pricing for Super Value 1000 Plan.
LACTC	523	11/01/94	Extend Executive Value Service Plan Promotion. Allow Executive Value Service Plan subscribers to participate in the Multiple Unit Discount Promotion.
LACTC	524	11/01/94	Introduce a permanent Economy Value Service Plan. Plan includes a single monthly charge for access and up to 20 minutes of airtime.
LACTC	525	11/01/94	Introduce Two-Year Corporate, Value Service and Government Contract Plans.
LACTC	527	11/03/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LASLP	452	11/03/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LASLP	454	11/07/94	Re-introduce Ventura Value Promotion. Provides for \$10.00 monthly credit for 24 months for Ventura County residents activating or transferring service to a 2 Year Plan.
LASLP	456	11/08/94	Re-introduce service establishment reactivation charge waiver.
LASLP	464	11/16/94	Introduce Quick Start Affinity Plan Promotion. Allows corporate customers to receive benefits of 250+ numbers tier.
LASLP	466	11/22/94	Extend service establishment reactivation charge waiver.

**RATE REDUCTIONS/PROMOTIONS FILED  
LOS ANGELES MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1995**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
LACTC	529	11/23/94	Waive service establishment fees for subscribers activating service on one of Utility's contract plans.
LASLP	468	11/23/94	Waive service establishment fees for subscribers activating service on one of Utility's contract plans.
LASLP	469	11/23/94	Reintroduce multi-phone service establishment credit promotion.
LASLP	471	12/01/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LASLP	472	12/01/94	Introduce Holiday Bonus Incentive Program. Provides resellers with credits for each net activation during the month.
LASLP	473	12/01/94	Reintroduce Ventura Value Promotion and Ten Year Super Value Credit Promotion (\$10.00 monthly credit for twenty four months for customers transferring service or activating on a Two Year Plan).
LASLP	474	12/01/94	Introduce Contract Incentive Promotion. Offers bill credits up to \$175 per number for large corporate contract plan subscribers.
LACTC	530	12/01/94	Reduce rates on Two Year Contract Plans.
LACTC	531	12/01/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LACTC	532	12/01/94	Provide monthly credits for subscribers activating on Economy Value Service Plans.
LASLP	475	12/02/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans (except for Personal Plan).
LACTC	535	12/09/94	Offer free Mobile to Mobile calls and up to 240 minutes of free weekend calling for subscribers activating on a Two Year Plan.
LASLP	479	12/19/94	Provide additional benefits to affinity groups and associations enrolling in Quick Start Affinity Plan Promotion.

**RATE REDUCTIONS/PROMOTIONS FILED  
LOS ANGELES MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1995**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
LACTC	543	12/30/94	Extend certain of Utility's offerings (Customer On The Move, Occasional Use Plan, Roaming Charge Pass-Through Limitation, Multiple Unit Discount Promotion, Mobile to Mobile Promotion, Dual Mode Activation Fee Credits).
LASLP	483	12/30/94	Extend Sales Agent Plan and Demonstration Service Incentive Promotion.
LASLP	484	12/30/94	Extend Affinity Quick Start Promotion, Quick Start Free Air Promotion, Super Value 1000 Plan.
LACTC	546	01/06/95	Waive service establishment fees for subscribers activating service on any of Utility's service plans (except Night Owl Plan).
LACTC	487	01/09/95	Waive service establishment fees for subscribers activating service on any of Utility's service plans (except for Personal Plan).
LACTC	550	01/24/95	Introduce a Deposit Waiver Promotion for new subscribers.
LACTC	551	01/24/95	Expand Utility's discretion to waive or relax its deposit requirements.
LACTC	553	01/24/95	Offer a wholesale Value Service Plan Promotion whereby resellers will have the option of having rates calculated based on actual monthly airtime consumption.
LACTC	554	01/24/95	Introduce Value Plus Plans.
LASLP	506	02/08/95	Introduce a Two Year Phone Rental Contract Plan.
LACTC	558	02/03/95	Re-introduce Free Weekend Promotion and Activation Fee Waiver for units enrolling in Multiple Unit Promotion.
LACTC	559	02/09/95	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LASLP	508	02/09/95	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LASLP	507	02/09/95	Re-introduce a Multi-Phone Service Establishment Credit Promotion.

**RATE REDUCTIONS/PROMOTIONS FILED  
SAN FRANCISCO/SAN JOSE MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1994**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
GTE Mobilenet of California Limited Partnership ("GTE")	294	10/18/94	Introduce new Executive, Universal and Safety Plans. Reduce rates on Economy, Standard, Government and Professional Plans.
GTE	295	10/18/94	Introduce a Multi-User Plan.
GTE	297	10/19/94	Waive service establishment fees for subscribers activating service on selected rate plans.
Bay Area Cellular Telephone Company ("BACTC")	302	10/21/94	Waive service establishment fees for subscribers activating service on selected rate plans.
GTE	298	10/21/94	Waive service establishment fees for subscribers activating service on selected rate plans.
GTE	309	11/17/94	Waive service establishment fees for subscribers activating on new Executive, Universal, Safety Plans and Multi-User Plans.
GTE	310	11/18/94	Reduce rates on Large User Rate Plan.
BACTC	307	11/21/94	Reduce rates on Corporate Management Plan.
BACTC	308	11/21/94	Introduce a Business Manager Plan.
BACTC	310	11/23/94	Provide free off-peak calling for subscribers on selected plans.
GTE	313	11/23/94	Provide free airtime for subscribers activating on a contract plan.
GTE	314	11/28/94	Waive service establishment fees for subscribers activating service on selected rate plans.
GTE	316	12/02/94	Reduce rates for customers roaming within the State of California.
GTE	319	12/07/94	Introduce a wholesale Tiered Rental Car Rate Plan.

**RATE REDUCTIONS/PROMOTIONS FILED  
SAN FRANCISCO/SAN JOSE MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1994**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
BACTC	314	12/09/94	Waive custom calling feature charge for new activations.
GTE	323	12/16/94	Waive service establishment fees for Mobilink carrier subscribers who transfer to GTE.
BACTC	316	12/20/94	Reduce service establishment fee and offer free off peak calling for new subscribers to Business Management Plan.
BACTC	317	12/21/94	Extend free off peak calling promotion for selected plans.
GTE	329	01/17/95	Reduce rates on wholesale month to month and selected contract plans.
GTE	330 and 330-A	01/17/95	Provide monthly credits for new subscribers on selected plans.
GTE	334 and 334-A	01/23/95	Re-rate roaming charges for customers roaming in selected areas.

**RATE REDUCING/CREDIT ADVICE LETTERS FILED  
SACRAMENTO MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1995**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
Sacramento- Valley Limited Partnership ("Airtouch")	199	10/28/94	Waive change charge.
Airtouch	200	11/2/94	Reduce Government Plan rates.
Airtouch	202	11/10/94	Reduce rates on Package Plans.
Sacramento Cellular Telephone Company ("McCaw")	184	11/18/94	Introduce provisional Right Fit Personal Package Plan. Plan includes a single charge for access and up to 50 minutes of usage per month.
Airtouch	205	11/22/94	Waive service establishment fees for units activating on any plan.
McCaw	185	11/23/94	Waive service establishment fees for units activating on selected plans.
McCaw	186	12/02/94	Provide credits for subscribers activating digital units.
McCaw	187	12/08/94	Waive service establishment fees for units activating on selected plans and provide free weekend airtime to same.
Airtouch	208	12/09/94	Waive service establishment fees for customers activating additional units.
McCaw	190	12/16/94	Introduce provisional Incentive Plan. Plan includes low monthly access charge.
McCaw	194	01/12/95	Provide credits for subscribers activating digital units.
McCaw	196	01/25/95	Introduce Right Fit Business Plan. Plan includes low monthly access and usage charges.
McCaw	197	01/31/95	Extend offering period for provisional Right Fit Personal Package Plan.
McCaw	198	02/09/95	Provide one time credit to subscribers activating units on contract plans.
Airtouch	215	02/10/95	Provide unlimited weekend airtime for one low set fee.
McCaw	199	02/14/95	Provide credits for subscribers activating digital units.



**RATE REDUCING/CREDIT ADVICE LETTERS FILED  
SACRAMENTO MARKET  
OCTOBER 18, 1994 - FEBRUARY 15, 1995**

<b>CARRIER</b>	<b>ADVICE LETTER NO.</b>	<b>DATE FILED</b>	<b>SUBJECT</b>
Airtouch	216	02/15/94	Provide increased discounts towards total charges for subscribers to Package Plans.